

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
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C O N F I D E N T I A L PEKING 0035

E.O. 11652: GDS
TAGS: ETRD EALR CH US
SUBJ: BUSINESS ACTIVITY REPORT: DECEMBER

REF: PEKING 2958

1. SUMMARY. US BUSINESS ACTIVITY IN DECEMBER SLOWED
CONSIDERABLY AS AMERICAN BUSINESSMEN RETURNED TO THE
US FOR THE HOLIDAYS. WE EXPECT THE PACE TO PICK UP
IN JANUARY HOWEVER. HIGHLIGHT FOR DECEMBER WAS THE
SALE BY IBM OF MODEL 370-138 COMPUTER FOR USE AT
SHENYANG BLOWER WORKS. END SUMMARY.

SELLERS

2. IBM. CULMINATING MONTHS OF ARDUOUS NEGOTIATIONS,
IBM CONCLUDED SALE OF MODEL 370-138 COMPUTER IN
DECEMBER; COMPUTER IS TO BE USED IN CONJUNCTION WITH
NEW COMPRESSOR MANUFACTURING EQUIPMENT BEING SUPPLIED
BY ITALIAN FIRM NUOVO PIGNONE FOR SHENYANG BLOWER
WORKS. DETAILS CONTAINED PEKING 2948.

3. ELLICOTT MACHINE CORPORATION. FIRM REPS JOHN
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STRIBLING AND E.R. NUTTLE SPENT EIGHT DAYS IN
PEKING MAKING TECHNICAL PRESENTATIONS TO MACHIMPEX
ON FIRMS LINE OF DREDGES. ELLICOTT REPS PLEASED
WITH OUTCOME OF TALKS, AND, AT CHINA'S REQUEST,
PLAN TO FOLLOW UP WITH A PROPOSAL.

4. GENERAL TIRE. DELEGATION FROM THIS FIRM PRESENTED TECHNICAL

SYMPOSIUM IN PEKING ON THE MANUFACTURE OF OFF-HIGHWAY TIRES.

5. HUNTER ENGINEERING CO. FIRM SOLD CHINESE EQUIPMENT FOR MANUFACTURING ALUMINUM SHEETS IN APRIL 1977. VICE PRESIDENT CURT BRAUN VISITED PEKING THIS MONTH TO DISCUSS SPARE PARTS SALES AND TO ARRANGE FOR THE VISIT OF A TEN MEMBER TRAINING DELEGATION TO VISIT HUNTER'S FACILITIES IN RIVERSIDE, CALIFORNIA FOR APPROX. 45 DAYS BEGINNING IN JANUARY 1978. TOTAL VALUE OF CONTRACT INCLUDING SPARE PARTS \$1.6 MILLION; FIRM MANUFACTURES FULL LINE OF ALUMINUM FORMING EQUIPMENT AND HOPES FOR FUTURE SALES. USER OF EQUIPMENT IS "CAAC AIRPLANE REPAIRING AND MANUFACTURING PLANT".

6. NATIONAL SUPPLY. A FIRM REPRESENTATIVE REMAINED IN PEKING DURING THE MONTH NEGOTIATING SPARE PARTS CONTRACTS IN CONNECTION WITH PREVIOUS SALE OF TWO DRILLING PLATFORM RIGS (REPORTED PEKING 2958 AND 2503).

7. OTHER SELLERS. AMERICAN OIL EQUIPMENT SELLERS REMAINED ACTIVE DURING THE FIRST HALF OF THE MONTH BUT RETURNED TO THE US FOR HOLIDAY VACATION. ALL EXPECTED TO BE BACK IN EARLY JANUARY.

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8. JAMES YING INTERNATIONAL. MR. YING HELD NEGOTIATIONS AND SIGNED SIGNIFICANT CONTRACTS IN RAW DOWN AND DOWN JACKETS.

9. THIS MESSAGE CONTAINS SENSITIVE COMMERCIAL INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE THE US GOVERNMENT.
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